

City of Tempe  
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Development Services Development  
Neighborhood Enhancement Section

## HOUSING IMPROVEMENT PROGRAM

The City of Tempe is pleased that you are interested in our Housing Improvement Program. The following is a summary of the Program and the eligibility criteria. Participation in the program is voluntary.

The Program is available to those homeowners who are residents of the City of Tempe and have owned and occupied their residence for at least six months prior to requesting rehabilitation assistance. To receive assistance, household income must be within the low/moderate income limits established by the U.S. Department of Housing and Urban Development (HUD). The income limits are included on page 6 of this information packet.

The City of Tempe's Housing Improvement Program is designed to provide housing rehabilitation loan opportunities to borrowers who would not be able to qualify for conventional home repair loans under the prevailing underwriting standards of local banks, savings and loans, credit unions and mortgage companies.

The City's Housing Services Staff is available to assist you in determining if you qualify and will assist you each step in the process. For additional information or assistance, please contact the Housing Services Office at 480/350-8950 (TDD: 480/350-8913).

**Sí usted desea interpretación de esta noticia en Español, por favor llame y deje mensaje para Rachel Perez o Maryna Leyvas, 480-350-8372 (TDD: 480-350-8913).**

## **HOUSING IMPROVEMENT PROGRAM ACTIVITY REQUIREMENTS**

1. The rehabilitation must correct health and safety deficiencies to provide decent, safe and sanitary housing. Property must be in full compliance with all City codes and ordinances when rehabilitation is completed.
2. The rehabilitation must result in a project which removes or prevents deteriorating conditions leading to neighborhood blight.
3. The homeowner must have owned and occupied the home being rehabilitated for no less than six (6) months prior to requesting rehabilitation assistance.
4. Property taxes must be current to within one year and the mortgage payments must be current to within one month.

## **ELIGIBLE IMPROVEMENTS**

The basic intent of the City's Housing Improvement Program is to restore the home to a "decent, safe and sanitary condition," as directed by the U.S. Department of Housing and Urban Development, which provides the City with some of the funding for the program.

Priorities in determining what the funds may be used for will be as follows:

1. Correct all existing building code and health code violations (mandatory);
2. Correct any structural conditions which appear to be deteriorating and may soon need to be repaired or replaced;
3. A limited amount of general improvements, only if done in connection with work on items 1 and 2 above.

### **Eligible Improvements May Include:**

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|---|---|
| 1. Electrical wiring                    | 10. Windows and doors                                   |
| 2. Plumbing                             | 11. Garages and carports                                |
| 3. Roofing                              | 12. Fumigation  |
| 4. Heating                              | 13. Flooring, <u>under limited conditions</u>           |
| 5. Air-Conditioning/evaporative cooling | 14. Fences, <u>under limited conditions</u>             |
| 6. Painting                             | 15. Landscaping, <u>under limited conditions</u>        |
| 7. Masonry                              | 16. Patios, <u>under limited conditions</u>             |
| 8. Carpentry                            | 17. Kitchen appliances, <u>under limited conditions</u> |
| 9. Lead-paint removal                   |   |

**Ineligible Improvements Include:**

The following improvements **are not eligible** to be included in the amount for which rehabilitation assistance is granted:

Upgrades to materials (i.e. eligible items will be replaced with similar materials meeting HUD minimum property standards.)

Barbecue Pits  
Burglar Alarms  
Draperies  
Draperies  
Fire Extinguishers  
Gazebos  
Kennels  
Television Antennae  
Tree Surgery  
Wet Bars

Bathhouses  
Burglar Protection Bars on windows  
Den or Family Room  
Dumbwaiters  
Fireplaces or Hearths  
Greenhouses  
Microwave Ovens  
Tennis Courts  
Valance or Cornice Boards

Swimming Pools or Jacuzzi-type Pools and Equipment

Waterproofing of a structure by pumping or injecting any substance in the earth adjacent to, or beneath the basement or foundation floors

**Please keep in mind that rehabilitation funds will not be used for remodeling purposes and/or general maintenance items or upgrades.**

**The following types of funding are available under the City's Housing Improvement Program:**

### **Emergency Grant :**

An Emergency Grant is available to any low/moderate income family who requires emergency repairs to their home but lacks the financial resources to do so. The purpose of the Emergency Grant is to make emergency repairs to the home on items that threaten the health, safety or welfare of the occupants of the home. The Emergency Grant can also be used to do emergency repairs on mobile homes. The following conditions are addressed:

1. Serious code violations that threaten the health, safety or welfare of the occupants;
2. Lack of handicapped accessibility, if needed

The emergency grant conditions are:

1. No interest charged;
2. No monthly payments;
3. No lien on your property;
4. The maximum amount of the grant is \$7,500.00;
5. To qualify, the applicant must own and reside in the home for at least six months prior to requesting rehabilitation assistance;
6. Emergency conditions are determined by the City's Housing Services staff;
7. The gross household income of all occupants in the home 18 years and older must be within the low/moderate income limits established by the U.S. Department of Housing and Urban Development (HUD).

Emergency Grants are available to homeowners with incomes within the 80% income range.

### **Rehabilitation Loans:**

The Rehabilitation Loan offers a maximum loan amount of \$25,000.00. This amount would include any previous emergency grant funds received from the City, (includes Emergency Grant or assistance from the

H.E.L.P. assistance administered by the Code Compliance Division.) Types of loans available are:

**Private Amortized Loan:**

This type of loan is made through the City's contracted financial institution using private loan funds and private underwriting criteria. This type of loan is based on the ability of the applicant to repay the loan. It may or may not require interest or principal buy-down and all fees are included in the loan amount.

**Federally Funded/City Funded Amortized Loan:**

This type of loan is made through the City's contracted financial institution using federal or city funds and program underwriting criteria. The loan is based on ability of the applicant to repay. The loan amount includes all fees.

**Deferred Payment Loan:**

This type of loan is made through the City's contracted financial institution and uses federal CDBG or HOME funds. Zero interest and all fees are included in loan amount. The loan principal is due and payable upon sale, transfer or refinance of the home.

Note: the type of loan you are eligible for is based on your specific household ; i.e. your household income, assets and liabilities.

**Major Rehabilitation/Home Replacement**

A substandard home that would cost more than \$25,000.00 to rehabilitate or would cost more than 60% of the replacement cost of the home to rehabilitate must be replaced entirely. The substandard home must be demolished and a statement agreeing to the demolition of the home must be on file with the City of Tempe Housing Services Division.

Major rehabilitation would require an amortized or deferred loan. The principal of any loan(s) would be a lien on the property which would be due on sale, transfer or refinance.

**CONTRACTOR SELECTION**

Once you have qualified for assistance, a Housing Grants Specialist will be assigned to you to assist you through the rehabilitation process. Your Specialist will first conduct an inspection of your home to determine the items that require rehabilitation. The Specialist will then prepare a Scope of Work which will list the required work to be done. You must select **two** contractors to submit competitive bids, based on the Scope of Work. You should receive copies of the bids submitted to the City.

The bids will be reviewed at a Bid Review meeting conducted by Housing Services staff. The bid that is most responsive, with the most reasonable cost estimates, to the Scope of Work will be selected.

The Homeowner may choose to select the contractor with the higher bid amount, however, the City will only

pay up to the amount on the bid determined to be most responsive with the most reasonable cost estimates. The Homeowner will be responsible for paying the difference directly to the contractor.

It is important to note that the City of Tempe will not select or recommend a contractor for you. The City of Tempe also will not give your name to any contractor seeking to work with the City. The City will provide you with a contractor suggestion list; however, this is a suggestion list only. You are not required to select your contractors from this list. If you are contacted by a contractor claiming to be sent by, or representing, the City of Tempe, please report this to the City's Housing Services Division immediately.

To be eligible to participate in the Housing Improvement Program, any contractor you select must meet the following qualifications:

1. be licensed by the State of Arizona;
2. be insured and bonded;
3. not be listed on any debarment list from the State of Arizona, Registrar of Contractors or HUD;
4. have a clean record with the Better Business Bureau;
5. be able to begin and complete, the work on your home in a timely manner;

### **HOUSEHOLD INCOME LIMITS**

Effective 2/2005

<u>Household Size</u>	<u>Low-Mod Income (80% of AMI) Federal funding only</u>
1 Person	\$32,850
2 People	\$37,500
3 People	\$42,200
4 People	\$46,900
5 People	\$50,650
6 People	\$54,400
7 People	\$58,150
8 People	\$61,900